Project would depend upon the outcome of the proceedings pending before the BIFR, which is a quasi-judicial authority.

Unearthening of fertilizer subsidy fraud

333. SHRI S. S. AHLUWALIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government's attention has been drawn to the news item entitled "Fertilizer Subsidy fraud unearthed", as appeared in the Economic Times dated 10th April, 1994; and

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) and (b) Income-Tax authorities undertook investigation into the affairs of two Single Superphosphate (SSP) units, viz., Harshvardhan Chemicals and Minerals Ltd. and Madhuban Chemicals and Mfg. Works Ltd., for the assessment years 1990-91 and 1991-92. In the course of investigation, it has been revealed that these two units had earlier claimed subsidy for quantities higher than actually produced. Subsidy is not payable on phosphatic fertilizers including SSP w.e.f. 25-8-1992. However, subsidy dues in respect of these two units for prior periods have been withheld by the Officer of the Fertilizer Industry Coordination Committee (FICC).

Fertilizer Industry

334. SHRI VIRENDRA KATARIA Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that two of the four Public Sector Fertilizer companies, namely, National Fertilizers Limited and Rashtriya Chemicals & Fertilizers Limited are without any Managing Director, if so, since when and the reasons therefor;

(b) whether it also a fact that the other two, Hindustan Fertilizer Corporation of India, are sick with no production, if so, the reasons therefor and since how long they have been sick; and

(c) who is responsible for the neglect of the Fertilizer Industry and what steps are being taken to improve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) The Chairman & Managing Director (CMD) of Rashtriya Chemicals & Fertilizes Ltd. (RCF) was placed under suspension with effect from 19.5.92 pending regular departmental action for major penalty against him. The post of CMD, RCF, actually fell vacant in December, 1993, when the suspended CMD, RCF was adjusted against a supernumerary post of CMD. The post of Managing Director, National Fertilizers Limited has been vacant w.e.f. 1-11-92 on retirement of the last incumbent. Alternative arrangements have been made till the regular appointments are effected.

(b) and (c) The units of Hindustan Fertilizer Corporation Ltd. (HFC) and Fertilizer Corporation of India Ltd. (FCI) are incurring losses right from the inception due to low capacity utilisation mainly on account of design deficiencies, frequent equipment breakdowns, power shortage, industrial problems etc. The Board for Industrial & Financial Reconstruction (BIFR) declared HFC and FCI as sick companies in November, 1992. It is, however, not a fact that there has been no production in HFC and FCI.

The BIFR has appointed Industrial Credit & Investment Corporation of India Ltd. (ICICI) as the Operating Agency to prepares revival package for HFC and FCI.